

Annual Report

1. PROJECT COVER SHEET

1.1 NAME OF THE PROJECT: ADVANCING LANDSCAPES IN THE ANDEAN AMAZON (ASLAA)

1.2. DATES (START/FINISH)

AGREEMENT/ CONTRACT

Sun, 30/09/2012 - 00:00 to Sun, 31/01/2016 - 00:00

WORK PLAN PERIOD

Mon, 01/10/2014 - 00:00 to Sun, 30/09/2015 - 00:00

1.3. PRIME PARTNER: RAINFOREST ALLIANCE

1.4. NAME OF PROGRAM MANAGER

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1.5. NAME OF AGREEMENT OFFICE REPRESENTATIVE OR CONTRACT

MONICA ROMO

1.6. NAME OF ALTERNATE AOR OR COR: MONICA SUQUILANDA

1.7. MECHANISM NUMBER: AID-OAA-A-11-00055

1.8. OVERALL PROGRAM DESCRIPTION:

Our strategy is premised on addressing the principal threats to biodiversity and their drivers identified in two landscapes that have the most significant impact and can be countered directly given the experience of RA and its partners to optimize impacts locally. The threats include habitat degradation and loss due to wholesale deforestation or land-use conversion, while the drivers of these threats can be grouped into three areas: a) limited institutional capacity by local governments and communities for natural resource management (NRM); b) limited participation in and access to programs by local groups for resource management and sustainable production chains; and c) weak organizational capacity and market linkages of local producers and operators to grow local economic opportunities. RA and its partners, AIDER and ECOLEX, designed this project to conserve biodiversity in two landscapes, Sucumbíos/Napo, Ecuador and Cusco/Madre de Dios, Peru. In Ecuador we work in the Cuyabeno Wildlife Reserve (CWR), the Limoncocha Biological Reserve (LBR) and the buffer zone of Sumaco Napo Galeras National Park (SNGNP). In Madre de Dios (MDD), we work in the district of Tambopata, in the communities of Tres Islas (TI), Palma Real (PR), Infierno, Sonene, Puerto Arturo (PA), and Boca Pariamanu (BP). We also work with the Brazil nut gatherer associations RONAP, located alongside the interoceanic highway, and ASCART, in the Tambopata National Reserve. In Cusco, we work in La Convención and Calca Provinces. Within CWR, we work in the tourism area and with the Siona communities of Tarabeia, San Victoriano, and Puerto Bolívar, for a total of 130,000 ha. The LBR is located

in the Shushufindi canton close to Yasuní National Park (YNP). In the buffer zone of SNGNP we work in the Hatun Sumaco (HS) parish, which includes the Hatun Sumaku, Wawa Sumaku, Wuamani, Patco Sumaku, Pucuno Chico, Volcán Sumaku and Challuayacu indigenous communities. In MDD, we work with the Ese Ejás, Shipibos, Yine, Amahuaca, and Kicharuna ethnicities representing 75,000 ha approximately. In upper and middle Tambopata, we work with tourism operations representing approx. 3,000 ha. ASCART and RONAP manage a total combined forest concession area of approx. 70,000 ha. In La Convención Province we work in Quellouno and Echarate districts and in Calca Province in Yanatile district, within the Ivochote and Laco-Yavero watershed and cover 13,500 ha of the following cooperatives: Bioazul, Jose Olaya, Chaco Huayanay, Paquivo, Alto Urubamba, and Mateo Pumacahua and Asociacion de Productores Agropecuarios Los Angeles de Pachiri (APA Pachiri).

2. STRATEGY OVERVIEW

2.1. INTERMEDIATE RESULTS

2.1.1 IR1 – Selected Landscapes Managed Sustainably

This section of the report groups achievements by the project's four sub-landscapes of Sucumbíos/Orellana, Napo, Cusco and MDD, to highlight the interrelationships between project achievements in these landscapes.

Main achievements to: i) promote sound landscape planning and the use of sustainable natural resource management (NRM) practices (AR1); improve environmental governance (AR2); and improve sustainable livelihoods and ecosystem resilience (AR3) follow below. The corresponding AR is indicated at the end of each achievement.

Sucumbíos/Orellana:

- To consolidate the implementation of its Visitor Management Plan (VMP) land-use zoning and biodiversity monitoring and evaluation protocols, YNP initiated monitoring in the Añangu (21,393 ha) site. In June 2015 during routine monitoring park staff observed 5 pink river dolphins, 5 blue and yellow macaws, and brown throated sloths, among other species; this data provides a baseline to begin to evaluate presence and abundance of key species in visitation sites. Moreover, YNP is now coordinating with the Aguarico municipality to adapt the Tambococha site, a 20,107 ha site which has a lagoon with camping sites to view local fauna, infrastructure to reduce impacts to biodiversity by better managing visitors and aligning with VMP zoning guidelines. Through these initiatives YNP aims to reduce tourism's environmental impacts, improve visitor safety and enhance the management of tourism. These examples show how the participatory approach taken to develop and implement the VMPs strengthens the presence and oversight of different levels of government in VMP implementation, enhancing the probability of independent, long-term VMP implementation. (AR1).
- In August, 2015 MAE completed its second evaluation of compliance with environmental regulations for CWR tourism operations, based on the SL-produced Sustainable Tourism Operations Manual. The evaluation builds on results of a

March 2015 evaluation. In August, both MAE and SL staff accompanied the environmental quality team and CWR manager tasked with completing the assessment, in order to verify implementation of observations identified in the March 2015 assessment as well as verify appropriate use of recent adaptations to the manual to strengthen its biodiversity conservation requirements. The August evaluation served to: i) consolidate the culture and practice of conducting evaluations of compliance with BMPs; ii) strengthen the quality and rigor with which local protected area staff carry out the evaluations; and iii) identify required improvements among 4 of the 12 lodges – improvements that must be addressed in order for these lodges to maintain their operating permits. Strengthening the evaluation process – both in its rigor and frequency – consolidates MAE’s future, independent implementation of its tourism environmental compliance requirements within CWR. (AR2).

Napo:

- As part of the alliance between the municipality of Archidona and MAE to implement the SocioBosque (SB) restoration program, the ASOCOSAKAWA youth forestry association signed its first government contract: a 3,000 USD agreement with Archidona to identify and georeference 600 ha of degraded lands appropriate for restoration. The contract builds on prior FY15 work to: a) consolidate ASOCOSAKAWA’s technical competencies through training in georeferentiation, selection of reforestation sites, land preparation, production and collection of seedlings and plantation establishment; b) build the association’s capacity to lead local implementation of the MAGAP Commercial Reforestation program and Wamani’s Community Control and Surveillance System (CSS); c) legally register the association; and d) position and promote its services in local and regional environmental trade fairs. This landmark contract will enable ASOCOSAKAWA to diversify its client-base, build its reputation as a NRM service provider, and promote land restoration strategies that align with the needs of Napo’s Kichwa communities beyond the life of the SL project (AR1).
- With members of the 7 Parish communities, SL completed 7 Forest Management Plans (FMPs) to support the communities to begin legal, sustainable timber harvesting in accordance with their Integrated Management Plans. The FMPs enhance management on nearly 7,700 ha of HS’s designated forest management areas and apply Ecuador’s low-impact, community-based forest management option (*PAFSi*), determined to be most suitable for HS’s local realities. To promote local self-regulation—prioritized in the participatory workshops—the plans include a community-based tracking and monitoring system. The FMPs also prioritize actions to mitigate impacts to biodiversity, soils and watersheds, including use of reduced-impact logging techniques, liana cutting, regeneration and implementation of a monitoring protocol. MAE approved the management plan for Pucuno Chico; it is anticipated they will sell to local buyer INDUMAD. This critical planning tool complements other SL training and guidance on sustainable forest management (SFM), laying the foundation for future legal timber harvesting and SFM in HS while also promoting the ongoing implementation of SL EA impact mitigation measures. (AR1).

- To consolidate the application of sustainable agroforestry and clean naranjilla BMPs, SL completed over 10 manuals, posters and guidance materials, and delivered continuous trainings. To evaluate the efficacy of this approach, in August SL completed an evaluation of implementation of BMPs based on the Sustainable Agriculture Network (SAN) Standards. The 7 pilot farms showed significant improvement from the initial diagnostics completed in 2014: producers are now implementing 81.3% of SAN principles and criteria, more than doubling their initial compliance of 35%. The highest performance was achieved on principles of ecosystem conservation; water conservation; and soil conservation and management – demonstrative of achievements producers have made to take a whole-farm approach to their naranjilla management and also mitigate environmental impacts of naranjilla production. The evaluation also documented a significant reduction in production costs through application of BMPs; expenses were on average 60% lower. The results of the evaluation indicate a high degree of adoption of BMPs and significant positive impacts on farmer bottom-line; it's hoped that news of these cost-savings will catalyze replication of these BMPs among more HS naranjilla producers. (AR3).

Cusco:

- To strengthen youth leaders to implement sustainable coffee and cocoa practices, SL partnered with the Colegios Rurales de Formacion en Alternancia (CRFA), developing environmental education teaching materials on the implementation of sustainable agricultural principles. Professors are now teaching and transmitting these good practices to over roughly 200 students in Echarati and Quellouno. The curricula aims to train youth to become technicians who work their own lands. To promote coordination and long-term implementation, the trainings have been delivered in alliance with Megantoni National Sanctuary staff. (AR2)
- To consolidate implementation of BMPs provided through trainings and technical assistance in prior quarters, in Q4 21 coffee farms in Yanatile and Lacco Yavero (Quellouno District), implemented improved wastewater treatment systems. The new technologies significantly impact the local environment and community health by: a) reducing habitat for mosquitos, thus reducing transmission vectors for diseases like dengue and malaria; b) reducing pollution of waterways and treating graywater resulting from domestic water use; and c) reducing methane emissions from coffee processing. The implementation of the new wastewater treatment systems by 13 farmers in addition to the 8 model farmers, shows that new technologies developed and shared by model farmers are now being replicated in the broader community. (AR3)
- To enhance understanding and promote implementation of climate-smart coffee production practices, SL collected data on the GHG emissions profile of over 30 coffee farms in Echarate and Quellouno, and completed risk assessments against extreme weather events. Primary emissions hotspots were from processing, periodic burns to clear lands and incinerating household trash. To address this, cooperatives like Chaco Huayanay and businesses like BioAzul have adopted climate-smart agricultural practices, driving the implementation of these practices among their over 200 person producer base (roughly 30% of all producers in the

zone) by integrating it into their extension services. As an increasing number of businesses are demanding climate-smart coffee and cocoa and the Peruvian government advances in its coffee NAMA, it's hoped that growing market demand and emerging PES frameworks will help drive continuous implementation of these practices. (AR3)

Madre de Dios:

- To enhance the value of standing forests and ensure legal compliance, SL facilitated approvals of 7 forest management plans by GOREMAD for the 2014-2015 harvesting period, improving management on 5,403 ha of communal lands. More importantly, these plans promote the maintenance of ecosystem structure and functioning in NCs: whereas in the past NCs over-harvested 4 or 5 tree species, under these plans harvesting will be diversified across 25 different species including Tornillo, Catuaba, Pashaco and others in order to maintain healthy populations and minimize environmental degradation. (AR1)
- To complement its enhanced governance and diversify sustainable economic alternatives beyond timber, Brazil nut and tamshi, PR developed a community tourism strategy. In FY15 PR established its tourism committee; finalized its strategy; constructed basic infrastructure to accommodate tourists; completed the participatory design of three interpretative trails and developed a business plan to guide future activities and required investments in i.e. training, infrastructure, marketing and other issues.
- To enhance market penetration of sustainable tourism operations in the RNTAMB buffer zone, 11 local lodges financed a promotional visit in which 8 Lima- and Cusco- based travel agencies travelled to MDD to explore lodge offerings and opportunities to integrate the lodges into their tourism packages. As a result of the trip three MDD lodges have established agreements with 6 agencies to be included in their packages for the 2016 tourism season, and an additional lodge is engaged in similar negotiations. The lodges' enhanced market penetration and diversification of clientele is the combined result of prior SL capacity building; follow-up from the May 2015 business meetings held between MDD lodges and Cusco travel agencies; and the implementation of the Tambopata Tourism Marketing Plan. (AR3)

For additional results related to AR3, see section 2.1.3

2.1.2 IR2 - Key Elements of Natural Resources Governance Functioning in Critical Landscapes

Under Lines of action 5 and 6 - *Build capacity of civil society and indigenous organizations to influence environmental decision-making and providing access and dissemination of environmental and natural resources information*, the SL delivered a series of related results to consolidate the project implementation model while strengthening local-scale governance structures to position local actors to carry forward project supported activities into the future.

Sucumbíos/Orellana:

- Building upon initial VMP pilots in YNP, CWR and Limoncocha and their replication in 7 other high-visitation protected areas, MAE is initiating VMP replication in coastal and Andean regions. This is indicative of MAE's ownership of the VMP tools and intent to replicate them over time across the approximately 2.4 million ha National Protected Area Network (NPAN). To reinforce their intent, a Ministerial Accord to promote the use of the VMPs and its underlying destination management methodology has been developed and should be published in the coming months. The Ministerial Accord specifically promotes use of the destination management methodology and VMP to organize and plan for sustainable tourism across the NPAN, in order to conserve biodiversity, promote sustainable livelihoods, and reduce impacts of tourism's footprint within the NPAN.

Napo:

- The communities of Challwayaku, Volcán Sumaco, Wawa Sumaco y Jatun Sumaku (10 de Agosto) held 8 participatory workshops to develop regulations to administer and manage their natural resources and later approved these regulations in community assemblies. The regulations are closely aligned with SL-promoted BMPs and impact mitigation measures. Amongst other BMPs, they institutionalize: implementation of BMPs; promotion of organic production practices; conservation of land on slopes steeper than 35 degrees; conservation and restoration of riparian areas using native vegetation; identification of the type and sizes of tree species which can be harvested; and mandate prior approval of the community for tree harvesting, among other practices. These regulations reinforce community commitments in their long-term management planning documents, reinforce BMP implementation, and improve capacity to sustainably manage and self-regulate over 11,300 has of high-biodiversity lands within the HS Parish.
- ASOCOSAWAKA is leading the implementation of the CSS developed in the 5,504 ha Wamaní community to avoid deforestation and ensure compliance with laws and regulations. In Q3, ASOCOSAWAKA completed and posted signage to delineate the conservation area, completed a perimeter survey to identify major intervention/invasion threats, and conducted its first monitoring activity. In Q4, the community authorized monitors as part of their CSS activities to report infractions to the forestry authority; this greatly strengthens the system's capacity to prevent noncompliance with Wamaní's management plans and regulations. Wamaní also ensured the financial sustainability of its CSS by allocating funds within its SB investment plan to finance materials, equipment and signage, and implementation resources.
- SL and Naranjilla Roundtable members reached a number of milestones in FY15 that enhanced environmental governance for the long-term implementation of clean naranjilla production in HS:
 - To further institutionalize implementation and monitoring of naranjilla BMPs and ensure cross-sectoral collaboration to promote clean-naranjilla

production, members signed an agreement to continue roundtable activities at least through September 2016, including BMP monitoring. This commitment helps ensure continuous improvements in clean naranjilla production processes. It also builds on SL work in FY15 to further consolidate and strengthen the roundtable by facilitating a transition to MAGAP leadership as well as supporting the roundtable to execute its annual workplan in accordance with its multi-annual strategic plan.

- Consistent with its strategic plan, with SL facilitation, members of the Naranjilla Roundtable secured approval of an initial amount of 120,000 USD from the Provincial Government of Napo to establish a pulp processing plant in Wamaní College, located within the community of Wamaní. The plant will be completed in coming years; its installation should greatly enhance local revenues and economic alternatives as ASOPROBISUM, the clean naranjilla association formed by SL, will be able to add value to naranjilla by producing pulp, achieving higher prices per unit and accessing differentiated markets.
- To further advance the Naranjilla Roundtable's strategic plan and recommendations in ASOPROBISUM's business plan, the State University of the Amazon and naranjilla pilot farmers initiated the process to establish a unique brand and product attributes with the Ecuadorian Institute of Intellectual Property (IEPI). Once achieved, this recognition will enable ASOPROBISUM to sell differentiated products under a special label similar to a mark-of-origin.
- SL negotiated with the new GEF-Napo project to transfer Naranjilla Roundtable responsibilities to this new, four-year initiative designed to promote similar work in Hatun Sumaku.

Cusco:

- To institutionalize BMPs and reduce forest loss, SL developed a no-burn regulation in Ivochote and San Martin. At the request of Echarate and Quellouno governments, the regulations have been amended to apply at the district level and SL carried out a series of socialization meetings to educate key actors on the importance of the regulations. It is anticipated that the regulations will be shortly approved and there has been interest from La Convencion government to apply at the provincial level, representing considerable potential for further upscaling BMPs.
- SL strengthened the multi-stakeholder representation of the Coffee and Cocoa Technical Roundtable, by facilitating the inclusion of a range of 6 new local producer organizations, cooperatives and/or federations. The inclusion of these groups further enhances the ability of local producers and communities to engage in policy dialogue and advocate for conditions promoting BMP implementation based on their needs and realities. Building on this, SL conducted a March 2015 monitoring of the Roundtable's inter-institutional coordination to determine how effectively it was supporting local producers, and supported the Roundtable to achieve its objectives of: i) aligning the interests of producers, companies and local governments to promote sustainable production and, ii) to bring BMPs and other

technical issues forward to inform decision-making amongst local government agencies.

- To strengthen development and application of future sustainable coffee- and cocoa investment plans by local governments, SL completed a survey of socioeconomic, geographic and production characteristics of 569 producers in the Echarate and Quellouno districts. Survey findings indicate that 1/3 of producer lands have intact forests; and that producers can increase production without further land clearance. This data complements more targeted studies completed by SL in FY15 on coffee characteristics and production properties; coffee and cocoa production costs; GHG emissions profiles in coffee farms; and an evaluation of the impacts of *roya* (see IR4 for additional details on the *roya* study). These data have been disseminated and discussed through the Technical Coffee and Cocoa Roundtable, and it is anticipated that the survey results – as they apply at the district-level – will be applied by local governments to inform their upcoming investment planning decisions.

Madre de Dios:

- To further consolidate local NRM governance and timber harvesting in NCs, SL restructured the timber harvesting benefits-distribution mechanism in TI, PA, and BP to ensure a more orderly, participatory and equitable process for assigning timber harvesting rights and benefits. Traditionally, timber harvesting was done only by 5 or 10 community members who had access to equipment needed to extract and process wood, excluding many other members from participating. Through community assemblies, the 3 NCs identified all community members interested in joining the timber committee, doubling the number of members benefitting from timber harvesting. Moreover, the timber committees are now reinvesting a portion of proceeds into their ongoing activities, increasing the long-term viability of their nascent harvesting activities. This new way of distributing timber benefits within the NCs is an important milestone as it promotes transparency, inclusion and good governance from timber management, mitigating previous issues related to inequitable harvesting rights and resultant internal governance conflicts. (AR2)
- As another indication of the enhanced governance and functioning of NC timber committees, in August, 2015 the TI timber committee successfully stopped the illegal extraction of 1,200 board feet of *shihuahuaco* by external invaders. This achievement is the result of SL's work with TI to establish the timber committee with its statutes and regulations, integrate it within the TI Life Plan and promote coordination with its board of directors, and conduct continuous training of committee members, including on use of monitoring equipment. This denouncement evidences that community members are putting into practice their plans and communal regulations, demonstrating their ability to organize and regulate their legal, responsible timber harvesting into the future. (AR2)
- To consolidate their Brazil nut production, management, access-to-finance and marketing capacities, SL supported AFIMAD and member communities TI, PA, BP, PR and Sonene to develop and successfully implement their 2015 plan of

activities. One annual priority – to fully repay AGROBANCO for the credit extended for the 2015 harvest – has already been achieved, positioning AFIMAD to receive a new credit line on more favorable terms for the 2016 harvest (see IR3 for more details). These gains in AFIMAD’s management capacities – particularly regarding access to finance and marketing – are key to continuing to expand and consolidate sustainable timber and NTFP harvesting among NCs.

2.1.3 IR3 – Increased Capacity to Utilize Payment for Environmental Services (PES)-like and other Economic Incentive Programs

Sucumbios/Orellana:

- SL supported the Sani Warmi Association to diversify their handicrafts product lines, diversify clientele and penetrate new markets: at the outset of FY15, the Association secured an agreement with boutique retailer Galería Ecuador to sell handicrafts in Quito, Guayaquil, Cuenca and Colombia. The products, which sold for up to 50 USD/necklace, have since sold out of some retail locations. The Association then enhanced its market penetration by signing agreements with Ecuad’Arte, a Swiss hotel handicraft shop in Guayaquil, and El Manso Hostal. Ecuad’Arte is buying directly and has purchased 392.50 USD of products, while the hostel El Manso is selling with a small marketing commission. In addition to these deals with retailers Sani Warmi continues to cultivate buyers through participation in trade fairs; for example as a result of their participation in the International EcoTourism Congress, Sani Warmi was invited to participate in other fairs, including in COMAGA (Consortia of Amazonian and Galapagos municipalities), where the women sold an additional 150 USD. Sani Warmi’s penetration of multiple markets and agreements with three new buyers in FY15 is demonstrative of the enhanced competitiveness, market positioning, product quality and overall viability of their handicrafts business. (AR3).
- As a result of facilitation provided by SL to legally register and recognize the Sani Isla community board of directors and to identify and access financing, in combination with their strengthened lodge management and administration, the community secured a 153,000 USD credit to improve the visitor satisfaction and service quality in Sani Lodge through applying innovative management practices. With this funding the lodge aims to apply energy- and water-conservation measures such as use of solar energy; reduce water consumption and effluent waste by improving wastewater management; and use of more durable, environment-friendly construction materials. Through improving service quality Sani Lodge aims to consolidate its offering among Ecuador’s ecotourism providers and increase lodge revenues. Together with YNP authorities, the community is also evaluating opening new salt lick visitation sites in order to avoid exceeding visitation levels in existing sites. New sites would be integrated into YNP VMPs, highlighting the potential of the VMPs to align the interests of communities, tourism operations and protected area authorities. (AR2).

Napo:

In FY15 HS communities achieved significant advances in financing their integrated land management model to conserve forest resources, restore degraded lands, and diversify their economic alternatives through legal, sustainable natural resource management.

- To advance **legal, sustainable timber harvesting**, for the first time a Wamaní community-member sold timber under a legal harvesting license and with community authorization: Manuel Shiguango sold 13.73 cubic meters of coco for a total of 2,780.26 USD, to INDUMAD. This is approximately three times the price usually paid to HS community members for similar volumes, and is the result of the legal sales and identification of a buyer interested in supporting sustainable, legal timber production. This pilot harvesting and sale demonstrates to the community that forest harvesting in compliance with legal requirements can enable it to complete legal sales and thus secure a better price while reducing timber extraction rates. Legal, sustainable timber harvesting is now being promoted under FMPs across nearly 7,700 ha of HS's 7 communities.
- To **restore and reforest degraded areas** and diversify economic opportunities, the community of Wamaní submitted 50 hectares for reforestation under MAGAP Commercial Reforestation Incentives Program. The first payment of approximately 70,000 USD should be received in the coming months. As part of the program, a follow-up inspection of the 10 ha planted in September, 2014 was completed by MAGAP. Of the 6,250 seedlings planted, over 70% have survived, indicating both the correct species selection and appropriate seedling management, and also opportunities to further enhance survival rates going forward.
- To **restore degraded lands through natural regeneration**, the community of Wamaní completed and presented its dossier to access the new Socio-Bosque Restoration program, in order to restore up to 200 hectares of native forest and economically benefit the 491 community members over a 10-year period through receipt of approximately 91,000 USD. It is hoped that the Wamaní pilot – one of the first in Napo province – will serve as another example of how Hatun Sumaku communities can benefit from government incentives programs, and build motivation and local knowledge for replication in other HS communities.
- To **conserve forestlands** through the SocioBosque program, the community of Wamaní updated and approved its investment plan. In late June, it received 11,242.75 USD, benefitting 491 community members in exchange for their collective commitment to maintain 1,285 ha under the SB program. Pucuno Chico received roughly 13,031 USD for its conservation of 556 ha. While four other communities await their land titles – a requirement to access SB – they have prepared program documents and approved the areas to be included under the SB program in community assemblies, with the following projections:

Community	Area under conservation (ha)	Projected income (USD/yr)
Challwayaku	467.17	11,577.70
Volcan Sumaco	281.88	7,501.36
Wawa Sumaco	424.54	10,639.90
Jatun Sumaku	695.24	14,838.10

Cusco:

- With SL support, roughly 40 coffee producers accessed AGROBANCO credits of roughly 2,200 USD each (over 88,000 USD total), to renew and replant coffee lands affected by *roya*. SL provided technical support to develop maps, investment plans and complete the dossier for these producers and accompanied AGROBANCO evaluators during their field verifications.

Madre de Dios:

- Producer associations AFIMAD, RONAP and ASCART – with SL facilitation – consolidated their sales and negotiation competencies, selling roughly 527,122 USD of Brazil nut from January-July, 2015 to CANDELA, CANDOR and La Nuez. Building on this, with SL support NCs further enhanced their bottom-line by: a) improving contract terms with CANDELA for these sales, increasing the premium paid for Organic certification by 50% against last year's prices (an increase from 1 sol to 1.50 soles), and b) reducing transport costs 5 per sack, representing a cost-savings of roughly 5,000 USD to AFIMAD NCs.
- Through engaging with AGROBANCO and providing technical assistance locally, SL strengthened NC access-to-finance through a series of related achievements:
 - For the first time in Peru, native communities have accessed AGROBANCO credit for Brazil nut activities, and repaid 100% of their debt. In January, 2015, roughly 86 Brazil nut producers from 4 AFIMAD member communities accessed 46,000 USD in credit at a 7% interest rate/semester: by July it was fully repaid. As a result, AGROBANCO is willing to repeat their credit and finance the upcoming 2016 harvest.
 - To promote access to finance for sustainable forest management, AGROBANCO awarded credits under the Program 14 Financial package to two native communities.
 - RA and ASCART successfully negotiated a 115,000 USD loan to ASCART to cover 2014 harvesting costs. ASCART has fully repaid the loan. Communities have a critical need for this financing to cover costs for nurseries, materials and gasoline required to access harvesting sites and collect Brazil nuts: while local companies like CANDELA will cover up to 20% of Brazil nut harvesting costs in advance, the remaining 80% remains to be covered directly by the communities (in the absence of other financing alternatives). These recent experiences demonstrate that NCs and local producer associations are building a culture of credit repayment previously absent in NCs, can use financing responsibly, and warrant access to future credit lines.
- As native communities enhance their production capacities, market demand for their products must also grow. To strengthen AFIMAD's marketing efforts and enhance access to differentiated markets for timber and NTFPs, SL developed the OHEE commercial brand. The OHEE mark, which means 'teamwork' in the Ese'jeja native language, can now be seen on shelled Brazil nuts, Brazil nut oil, candied Brazil nut snacks, ungurahui and aguaje pulp and tamshi handicrafts. The OHEE brand is driving growing market interest in AFIMAD products, with the

brand and products highlighted at: a) the ExpoAmazonica Tradefair held in Puerto Maldonado in September; and b) the August OHEE launch event in Cusco for restaurants, supermarkets and hotels. To date contacts have been established with 3 national and international buyers (Product Corp; Nutri Body and La Canasta), signaling the potential for the new brand to drive access to new, differentiated markets for AFIMAD products.

- To grow market opportunities for ASCART, SL supported its participation in the ExpoAmazonica's business roundtable, enabling ASCART to establish contact with 18 national and international businesses who visited its Brazil nut facilities and assessed possible future commercial alliances; negotiations are underway.
- Building on TI's first-ever sales of value-added timber products reported in Q3, to date TI has sold approximately 12,000 square feet of sawn wood slats (tablillas) for a value of over 19,000 USD, representing a 10-fold increase in revenue since their first sale. The sales are the combined result of TI's application of its timber management plan and Annual Operating Plans, capacity building on value-added processing, and identification of a local buyer in Madre de Dios who has demonstrated a long-term interest in purchasing. These sales by TI demonstrate the potential of sustainable timber harvesting and value added processing to enhance economic incomes while reducing timber extraction volume: whereas previously the community cut 10 trees to cover its needs, now it can cut 3 and earn the same – if not a better – income. TI is showing that community members can earn more while reducing pressures on their forests.

2.1.4 IR4 – Greater Understanding and Solutions for Key Environmental Issues

SL completed three capstone case studies that evaluate the successes and limitations of BMP interventions and other initiatives taken by local actors to reduce threats to biodiversity in project landscapes. The studies were designed to enhance understanding of these actors on the effectiveness of their current conservation and development strategies and inform the evolution and adaptive management of these approaches to enhance conservation outcomes. Study results follow.

Napo and Cusco: Landscape analysis and decision-support-system

The Decision-Support-System (DSS) was completed for Napo and Cusco landscapes, enabling local government officials and technicians and other key local stakeholders to visualize and analyze trends in deforestation, habitat fragmentation and in government investment projects. The DSS includes analyses of land use and cover change on over 380,781 ha in Cuzco and 387,985 ha in Napo, and a forest cover fragmentation analysis within targeted units in these broader landscapes: 18,569 ha in Cuzco and 14,960 ha in Napo. The DSS's ultimate objective is to enhance the capacity of local governments to make informed decisions about landscape-scale management in their jurisdictions. Through hosting four socialization and training meetings among key stakeholders in Cuzco (i.e. Socioeconomic Development Unit management and technical staff from the municipalities of Echarati and Quelluno and PROCOMPITE technicians involved in project design and information management) and Napo (i.e. Directors of SocioEconomic and Productive Development in Napo and technical staffers), local actors identified

potential priority applications in their regions. The DSS has been published in an online platform that is free-of-charge and managed and updated through CONDESAN, author of the DSS and SL's partner in this work.

Sucumbíos/Orellana: Analysis of the impacts of sustainable tourism BMPs on water quality and biodiversity

From April – September 2015, SL completed an analysis of the impacts of sustainable tourism BMPs implemented by 12 CWR lodges on water quality and biodiversity. Specifically, the case study evaluated: 1) the effluent waste levels from different improved wastewater treatment systems and its impacts on water quality; and 2) the noise-levels resulting from use of standardized (2 cylinder) versus energy-efficient (4 cylinder) canoe motors, and corresponding impacts on biodiversity.

To evaluate the effectiveness of improved wastewater treatment systems, 2 water samples were collected in each of the participating 12 lodges in order to evaluate water quality immediately prior to, and after treatment, at the point of effluent discharge into the natural water system. Two different types of improved wastewater treatment systems are being used by CWR lodges. These had been recommended by MAE, who facilitated their purchase and installation in 2013. SL anticipated that some of the water treatment systems would perform better than others, and that on the whole, improved wastewater treatment systems would approximate water quality rates that would, at minimum, comply with national water quality standards. Study results, however, indicate that there has been a significant and greater than expected deterioration in effluent water quality across all sites and with both treatment methods: the main adverse impacts on water quality are related to deficiencies in the treatment of the following variables: total electrical conductivity, phosphates, total nitrogen, phosphorus, apparent color, nitrates, chlorides, gravimetric solid, true color, total hardness and calcium, and chemical and biological oxygen demand. Study findings caused great surprise among lodges and MAE, as they indicate that the different biodigester models promoted by MAE have not been as effective as anticipated in reducing impacts to water quality.

To evaluate noise-quality and corresponding impacts on biodiversity of standardized versus energy efficient canoe motors, 36 samples were collected across the main principal canoe transport paths within the CWR; 12 to determine the ambient noise or background in each site, and 24 along principal canoe transport paths – 12 with 2 cylinder motors and 12 with 4 cylinder motors. SL anticipated that 2 cylinder motors would have significantly higher average- and peak-noise levels, with correspondingly greater adverse impacts on habitat quality for riparian species. The project hypothesis proved correct; 4 cylinder motors emit 12 decibels less (94 to 82) than 2-cylinder motors during peak use and 6 decibels less on average (49 to 43). The study determined that noise produced by 2 cylinder motors requires an extra 90 meters to be dissipated (380 meters vs 290 for 4-cylinder motors), indicating a greater degree of disturbance with CWR species, especially those that frequent the river's edge and use vocal methods of communication, such as the hoatzin; kingfisher; pink dolphins and various monkey species. Last, the study confirmed that 2 cylinder motors do not meet current environmental noise regulations, which limit noise levels.

The purpose of these case studies was to provide independent, third-party data to enhance environmental-decision making among CWR actors and promote adaptive management

and continuous improvement to reduce tourism's impacts. The development of the study was thus highly participatory and, upon receipt of findings, SL invested a great deal of effort to ensure that technical study findings were presented in a means that facilitated understanding by local actors, and convened a September 2015 meeting whereby CWR lodge owners, MAE environmental quality management and protected area managers discussed in detail study implications and the steps required to address deficiencies in wastewater treatment systems and further promote implementation of 4-cylinder motors.

Regarding water quality, both parties agreed that MAE will strengthen its control system and conduct further pilots to identify and prove more locally-appropriate biodigestors that function effectively in the CWR's aquatic ecosystem (the inappropriateness of the biodigestor models for use in the semi-flooded CWR environment was determined to be a key limitation). Moreover, MAE is going to design a water quality monitoring system; lodge owners will initiate water quality and quantity monitoring based on this system. Compliance with implementation of new water treatment and monitoring systems would be verified as part of CWR's BMP environmental regulations. Both actors have begun immediate implementation of these actions and have been very responsive and committed to addressing this issue.

Regarding use of 4-cylinder motors; MAE had already established a regulation to transition to use of these motors as of 2016; the case study thus confirms the appropriateness of the regulation as a means to reduce impacts of tourism on biodiversity, in addition to other benefits of reducing costs and water pollution.

Cusco: Analyzing the economic impacts of roya

To enhance understanding of the implications of the 2012-2014 *roya amarilla* outbreak on Cusco coffee production and landscapes, SL completed an analysis of the economic impacts of *roya amarilla* in Cuzco and Junín and the efficacy of BMPs in limiting the intensity and/or severity of *roya* outbreaks.

To collect data, a random sampling of 166 coffee producers was selected from a universe of 400, in three areas of the districts of Echarate and Quellouno: San Martin (21%), Estrella (41%) and Ivochote (38%). Data was collected through individual and group surveys and interviews.

Key findings include:

- There has been a substantial change in the varieties used: before 2013 91% of coffee farms were comprised of Mundo Novo (56%), Typica (19%) and Caturra (11%) varieties, however by 2015 their use declined to 26% and resistant hybrid varieties like Timor increased from 8% to 70%. In the long-term this change may have a negative impact on coffee quality.
- 46% of producers have plantations older than 15 years. This may have contributed to the intensity of the *roya* outbreak, and presents an opportunity to renovate old plantations by using a combination of different coffee varieties that balance objectives of cup quality with resistance to pests and diseases.
- The intensity index for *roya* was 47% amongst farms that had not received training in the past 12 months and 43% amongst those who did. This low variation indicates

that the outbreak was epidemic and surpassed any preventive measures farmers had taken.

- Though two government programs were in place to address *roya*, only 46% and 16% of producers had accessed them.
- As a result of the outbreak 67% of farmers laid off workers; indicating the negative impacts on temporary farm laborers. 43% are cultivating other crops and 13% have abandoned their farms.
- 84% of farmers experienced economic losses, with an estimated loss of 3,386 USD on average. On the assumptions that coffee price is 2.12 USD/kg and coffee production is the only income source for a family of 5, losses pushed small and medium producers below the poverty line.
- 98% have an inappropriate shade-distribution in their farms, which created favorable conditions for the spread of *roya*.
- Capacity of producers to rebound from the *roya* outbreaks has been drastically limited due to a large reduction in the workforce as a result of high demand for unskilled labor to work on municipal government projects.

The study concludes by highlighting that *royas* impacts, combined with large-scale off-farm migration to work in municipal projects, resulted in a *roya* epidemic that had economic implications across all farm sizes and aspects of technical implementation in coffee farms. It also highlights that – in spite of these challenges – 30% of farmers have maintained their coffee production and that these should serve as a next generation of model farms. To ensure the understanding and application of these results to inform local government and company plans, SL presented report findings to these actors, who were extremely receptive to study findings in order to better mitigate *roya* outbreaks and improve their intervention plans in the future.

2.2 CROSS-CUTTING THEMES AND USAID KEY ISSUES

2.2.1 Improve Policies and Policy Implementation

SL facilitated the design and implementation of policy frameworks that strengthen local communities, businesses, governments and other stakeholders to conserve biodiversity in protected areas and their buffer zones by addressing primary drivers of biodiversity loss, including: 1) limited natural resource governance capacities at the local and community scales for sustainable land management; and 2) a lack of access to economic incentives opportunities among local communities. Strengthening these policies and their implementation was designed to reinforce the SL intervention model and institutionalize best management practices and other conservation strategies at the local, regional and national levels. FY15 achievements include the following:

Sucumbíos/Orellana:

- To regulate the management of fishery resources in the Limoncocha lagoon in the RBL and ensure their sustainable use, SL facilitated the development and approval of the “sustainable fishing code of conduct” by fishing groups, ASOKIL (The Association of Indigenous Kichwas of Limoncocha, which includes members of the communities of Limoncocha, Santa Elena, Rio Jivino and Itaya) and the authority of LBR. The code of conduct will reduce pressures on local fisheries while respecting community rights and their livelihoods.

- To adaptively manage and continuously improve sustainable tourism management within protected areas, technicians and area managers of CWR, YNP and LBR strengthened the Sustainable Tourism Operations Manual. Based on local experiences, additional specific rules were included to limit the impacts of tourism on biodiversity. These include: reducing impacts to flora during guided visits by prohibiting the physical marking and/or extraction of trees and plants; reducing disturbances to macaws and other fauna by limiting daily salt lick visits to just 3 groups, with a maximum stay of 30 minutes – 1 hour; and reducing ecosystem impacts by creating guidance for tourists in camping areas. The local leadership by technicians and area managers to identify and undertake the needed improvements to the Sustainable Tourism Operations Manual is indicative of their ownership of this management tool and their growing capacities to effectively manage their PAs within the VMP framework.
- Using the updated guidance in the Operations Manual, MAE strengthened the lodge BMP evaluation process to include these additional criteria and completed an evaluation of the 12 CWR lodges' implementation of these new criteria. Concurrently, SL delivered technical assistance to the 12 lodges to facilitate their ongoing compliance and implementation of the BMPs outlined in the Operations Manual and MAE BMP evaluation process. MAE's leadership in updating the evaluation formats to reflect new guidance and immediately conduct field-verifications is an example of strengthened, independent implementation of regulations to promote sustainable tourism and biodiversity conservation in the CWR.
- SL published the Destination Management Methodology, an approach to managing tourism and biodiversity conservation in protected areas that encompasses many SL tourism interventions, and formally 'handed-over' to MAE this management tool for future implementation. To promote replication of the Destination Management Methodology as a management tool across the nearly 2.4 million hectare NPAN, MAE has developed a Ministerial Accord, which should be published in the coming weeks.

Napo:

- To ensure the sound administration, use and management of their natural resources, the communities of Challwayaku, Volcán Sumaco, Wawa Sumaco and Jatun Sumaku (10 de Agosto) developed and approved in community assemblies NRM regulations. The regulations mandate the implementation of BMPs in agriculture, including organic production, conservation of slopes, the conservation and restoration of river banks with natural vegetation and the identification of tree species and sizes which can be harvested after approval by the community.

Cusco:

- To institutionalize BMPs and reduce forest loss, SL developed a no-burn regulation in Ivochote and San Martin. At the request of Echarati and Quellouno governments, the regulations were amended to apply at the district level and SL

carried out a series of socialization meetings to educate key actors on the importance of the regulations. It is anticipated that the regulations will be shortly approved and there has been interest from La Convencion government to apply at the provincial level, representing considerable potential for further upscaling BMPs.

Madre de Dios:

- In coordination with SERFOR, SL strengthened the National Forestry and Wildlife Law regulations to reduce regulatory barriers for native communities and respond to their local needs. RA convened two workshops to ensure free, prior and informed consent among MDD's NCs. NC proposals generated in these workshops have been included in the regulation, for example: 1) simplified administrative procedures to authorize management plans in small land units; 2) making eligible new timber and NTFP products; and 3) reducing harvesting right tariffs for communities that have achieved Organic or FairTrade certifications. These national regulations have been greatly strengthened by incorporating local proposals and responding to local community needs.
- SL enhanced RNTAMP staff capacity to ensure implementation of the regulations to promote BMPs established within its Brazil nut management plan. SL trained technical staff to improve their understanding, application and verification of compliance of the management plan, while also training concessionaires to strengthen their implementation of BMPs and thereby improve their compliance.
- In alliance with FENAMAD, SL engaged the Regional Forestry Authority to eliminate their policy that required 100% Harvesting Rights advance payment, which required full advance payment corresponding to timber and Brazil nut harvested under management plans. The policy was designed for private companies and not developed considering the needs and realities of native communities, for whom advance payments represent a serious barrier. As a result of SL and FENAMAD engagement, the policy was adapted to the benefit of Brazil nut harvesting communities and concessionaires, and the advance payment has been limited to the volume of Brazil nuts or wood that is actually transported off-site for processing and commercialization.

2.2.2 Increase Gender Awareness and Gender-related Program Outcomes

At project outset, SL, with support and guidance from the ICAA Support Unit, developed a Gender Action Plan to support achieving equality between men and women in project intervention areas. The Gender Action Plan reinforces the SL project implementation model by i) enhancing women's engagement and decision-making in community planning; ii) strengthening their role in local governance spaces; and iii) diversifying and strengthening women's participation in sustainable value chain development – including participation in farm- and forest-level production activities but also in downstream value chain work to strengthen their business, negotiation, marketing and financial management skills. FY15 achievements follow.

Sucumbíos/Orellana:

- The Sani Warmi association developed and implemented a Small Grants Program project designed to increase their positioning in niche markets by developing labels and promotional materials to better brand and market their handicrafts products to tourists and at trade fairs. Their development and implementation of this project consolidated their administrative, business and marketing, and financial management competencies, further ‘professionalizing’ the association and strengthening the women’s leadership role in the community.
- The Iluku women’s association – which forms part of ASOKIL – further formalized and strengthened their organizational capacities through SL technical assistance to enhance their administrative functioning and improve the marketing and exhibition of their handicrafts.

Napo:

- Led by Maria Licuy, the Association of Agricultural Production and Commercialization Sacha Laran (ASOCROSACH) is producing organic fertilizer to sell to ASOPROBISUM and the growing number of ‘clean naranjilla’ producers in Hatun Sumaku Parish. Moreover, the 29 members (14 women) are currently participating in national trade fairs – including ‘canastas solidarios’– organized by MAGAP to promote consumption of locally produced goods, to better position and sell of more their products. ASOCROSACH’s enhanced focus on sales and marketing is a result of increasing production of organic fertilizers in the association – which has been driven by continuous technical assistance and training delivered by SL to association members and especially its women producers, to promote organic fertilizer alternatives.

Cusco:

- In Ivochote, SL strengthened the leadership abilities of 46 women producers. Women leaders enhanced their understanding of key issues at the nexus of gender and sustainable agricultural land management, such as: the recognition of women’s importance in decision-making and management at the household level and in the farm and in the socio-economic development of the family unit; their capacity for influence and action; and other issues important to enable compliance with SAN Standard criteria related to family well-being and development. In the context of frequent farm abandonment by men to work on municipal infrastructure projects, building technical capacities of women farmers in the region has been critical to consolidating sustainable land management: with their husbands absent, more than ever, women are taking a strong leadership role in farm management decision-making.
- 3 women model farmers in Ivochote and Lacco Yavero highlighted livelihoods and environmental improvements they achieved with SL in the ‘First Meeting of Coffee- and Cocoa-Producing Women in La Convencion’. Their accomplishments, leadership and public engagement also reflect the results of implementation of SL’s gender strategy.

Madre de Dios:

- In order to ensure the direct, legal and integrated management of their communal lands, SL assisted 6 NCs (PA, BP, TI, PR, Sonene and Infierno) in developing their annual operating plans for timber and non-timber forest products (NTFPs). Women played a particularly critical role in the development of NTFP plans; for example, the handicrafts committee of Palma Real defined harvesting thresholds and recollection priorities. Harvesting in accordance with these plans benefits over 350 families in these communities.
- Women's leadership in Brazil nut collection in indigenous communities has been redefined; they now are recognized as having harvesting rights and thus can access credit independently. As a result, of the 23 credits processed by AGROBANCO for Brazil nut collection, 9 (over 39%), were destined for women heads-of-household.
- In PR, the group of women handicrafts producers in Palma Real has been strengthened. SL facilitated their access to financing through funding from the SL Small Grants Program (SGP). SL has also facilitated their participation in commercial trade fairs, which have enabled them to improve their negotiation skills, refine their ability to set appropriate price-points for their handicrafts products, and establish commercial arrangements. Their enhanced capacities in handicrafts business skills are translating into the broader community as they are garnering growing recognition and respect in natural resource management decision-making.
- Female community members have been effectively engaged in the design of tourism business plans of Bawaaja Expeditions (Infierno) and PR. In PR, 19 women participate in different segments of the tourism strategy – from handicrafts production to interpretive guides – highlighting the recognition of the traditional ecological knowledge PR's women have on i.e. NTFP management and medicinal plants. Moreover, these women identified viable interpretative path routes in Palma Real, and the design of a medicinal plant garden in Infierno.

These FY15 achievements reflect the project's primary focus on consolidating economic alternatives and value chains, to build on prior accomplishments in integrating women more strongly in NRM planning decisions and governance spaces that occurred in prior years.

2.2.3 Strengthening of Selected Regional Organizations and Institutions

In FY15 SL built the capacities of a range of local, municipal and sub-national organizations and institutions for sustainable natural resource planning, governance and livelihoods. Achievements follow below.

Napo:

- To consolidate technical capacities for forest conservation, restoration, reforestation and community surveillance in Hatun Sumaku, SL facilitated the legal constitution of, and provided technical assistance and training to, **ASOCOSAKAWA**. As a result, ASOCOSAKAWA is leading the local implementation of the MAGAP Commercial Reforestation Incentives Program;

the monitoring activities as part of Wamani's control and surveillance system; and co-prepared the dossier for accessing the SB-restoration program. ASOCOSAKAWA is consolidating its position as an NRM technical assistance provider to HS communities, as evidenced by its recent contract with the municipality of Archidona to identify and delineate reforestation sites.

- To enhance production, organization and market-access for clean naranjilla, SL facilitated the legal constitution of, and provided technical assistance to **ASOPROBISUM**. ASOPROBISUM has now established a long-term vision and strategic plan; internal organization structure and defined roles and responsibilities; value chain analysis for competitive positioning; business plan and an agreement with a major naranjilla buyer, PROFOODs, to sell clean naranjilla.
- To strengthen the leadership, administrative and NRM capacities of the **HS Parish Board** leadership, 5 HS board members and over 30 leaders of the 7 HS communities were trained through an 8 module course on issues fundamental to effective board functioning and community management, including: institutional and legal framework under the code of autonomous decentralized territorial organizations; budget management; public procurement; strategic management; territorial development plans; and project development in accordance with SENPLADES guidelines. 5 members of the parish board are now contracting services using appropriate procurement policies, and community leaders are in a stronger position to propose and negotiate for specific parish services in their individual communities.
- To consolidate inter-institutional coordination and promote the clean naranjilla agenda beyond life-of-project, the **Naranjilla Roundtable** committed to execute its long-term strategic plan through September 2016 and complete monitoring of implementation of the Roundtable's workplan as well as the ongoing implementation of clean naranjilla BMPs in pilot farms. To further support sustainability of clean naranjilla activities in Hatun Sumaku, SL negotiated the transfer of naranjilla roundtable facilitation and technical support to the new GEF-Napo project.

Cusco:

- SL strengthened the multi-stakeholder representation of the Coffee and Cocoa Technical Roundtable, by facilitating the inclusion of a range of 6 new local producer organizations, cooperatives and/or federations. The inclusion of these groups further enhances the ability of local producers and communities to engage in policy dialogue and advocate for conditions promoting BMP implementation based on their needs and realities. Building on this, SL conducted a March 2015 monitoring of the Roundtable's inter-institutional coordination to determine how effectively it was supporting local producers, and supported the Roundtable to achieve its objectives of: i) aligning the interests of producers, companies and local governments to promote sustainable production and, ii) to bring BMPs and other technical issues to inform decision-making amongst local government agencies.

Madre de Dios:

- To strengthen **FENAMAD**'s role in policy engagement to promote sustainable natural resource management in native communities, SL provided technical assistance and support enabling FENAMAD to successfully advocate for the inclusion of MDD native communities in the new PNCB forest conservation incentives program. Upon achieving this result and realizing the role of policy engagement for sustainable land management, FENAMAD has contracted a full-time forestry engineer to further enhance their NRM policy engagement activities and further strengthen their alliance with AFIMAD on these issues.
- To further diversify economic opportunities in native communities, improve organized production and harvesting and expand market opportunities, SL coordinated with other allies to strengthen **AFIMAD**, through a combination of related achievements:
 - Securing non-reimbursable financing for an improved processing plant for Brazil nut, which has been installed in Tres Islas.
 - Articulating activities with AFIMAD, CESVI and ACCA to define a shared 2015 Brazil nut harvesting plan. The combined plan enhances coordination and maximizes synergies across all organizations that support AFIMAD in Brazil nut harvesting field activities.
 - Tailoring finance packages to suit the needs of Brazil nut producers by raising awareness on the differences between production dynamics in native communities vs concessions, and, as a function of these, supporting the definition of interest rates aligned with Brazil nut production cycles and harvesting volumes, among other issues. This was accomplished in close collaboration with AGROBANCO and CANDELA.
 - Launching the OHEE commercial mark, to strengthen AFIMAD's marketing efforts and enhance access to differentiated markets for timber and NTFPs. To date contacts have been established with 3 national and international buyers (Product Corp; Nutri Body and La Canasta), signaling the potential for the new brand to drive access to new, differentiated markets for AFIMAD products.
 - Establishing a functional alliance between AFIMAD and FENAMAD to more effectively support livelihoods improvements in native communities through diversified production and value-added processing of timber and NTFP products.
- To strengthen legal timber harvesting, 35 NC members improved their capacity to legally manage their communal forests by engaging in 4 workshops on forestry regulations, requirements and non-compliance sanctions from April-Sept, 2015. In the workshops, and together with OSINFOR, DRFFS, FENAMAD and Veeduría Forestal, NCs suggested how to adjust the existing legal framework to overcome current regulatory barriers. As **OSINFOR** prepares to implement field-based verifications, a clear understanding of, and compliance with, the law is critical to NCs in order to avoid significant fines: while the sanctions provide a strong regulatory disincentive for illegal

harvesting, in cases they could render NCs insolvent and paralyze nascent management activities.

2.2.4 Improve Region-wide Capacity for Conservation through Training

In FY15 the SL training strategy prioritized consolidating capacities to independently implement and carry forward project-supported interventions for local communities and regional organizations at the individual- and organizational-level. Training was oriented to enhance sustainable natural resource governance and management, improved sustainable livelihoods and support to access economic incentives for conservation and sustainable resource use aiming to achieve sustainable management as mentioned under IR 1. In FY15, SL delivered training to over 19,000 individuals – capacity building was a priority focus across almost all project intervention strategies. A sampling of achievements as a result of this training work follows.

Sucumbíos/Orellana:

- To raise awareness among community leaders of the advantages of using energy-efficient, 4 cylinder motors and prepare indigenous communities for compliance with the upcoming 2016 requirement to transition to these, SL organized a September workshop in Guayaquil, in which 4 rangers (2 from CWR, 1 from YNP and 1 from BRL) and 5 community members from CWR (2 from San Victoriano and 3 from Puerto Bolivar) participated. With support from Mercure (a US-based company that produces 4 cylinder motors) the workshop instructed participants on the handling and basic mechanics of the 4 cylinder motors to improve their knowledge and familiarity of – and comfort with - these motors, helping to dispel myths that the energy-efficient motors are unreliable or difficult to use. The transition to 4 cylinder motors helps to reduce water contamination and noise levels, thus reducing impacts on biodiversity in Cuyabeno's lowland forests and waterways.
- To enhance quality of tourism services and promote compliance with MAE BMP compliance requirements, 13 CWR lodges and Sani Lodge completed a technical assistance program whereby their implementation of service quality BMPs was diagnosed; specific areas for improvement identified; and technical assistance completed to address these. Key areas for improvement included standardizing cooking procedures and improving quality of visitor experience by developing reception areas and improving client services, among others. In Sani, their menu was restructured to better appeal to their class of tourists. The training reinforces lodge compliance with CWR BMP compliance requirements, which are based on the Sustainable Tourism Operations Manual and designed to improve service quality and reduce environmental impacts.
- Complementing work undertaken with the lodges, at the community-level SL trained 34 members of communities engaged in tourism located in the buffer zone of Yasuni National Park on a range of best practices, including biodiversity conservation and incorporating energy efficient and low-emissions 'clean technologies' such as wastewater treatment, alternative energy supplies, solid waste treatments and others.

Napo:

- To consolidate their implementation of BMPs, HS parish naranjilla producers participated in an extensive capacity building program covering conceptual and practical trainings on BMP implementation and the SAN Standards. The trainings prioritized reducing environmental impacts from naranjilla production and improving productivity through, i.e. implementing integrated pest management; organic alternatives to synthetic agrochemicals; conserving waterways and forests; farm land-use planning, and other topics. As a result, adequate waste management, organic composting practices, delimitation of conservation areas, restoration activities and other BMPs are now being implemented in naranjilla pilot farms.
- To prepare HS communities to initiate legal, sustainable forest management, 7 FMPs were designed together with them. As part of this process training was delivered on implementation of forestry BMPs, based on a training manual for sustainable forest management in HS communities and a corresponding guide on legal timber harvesting requirements.
- With SL technical inputs and facilitation, the Wamaní community developed and approved a control and surveillance system, a self-governance tool designed to halt deforestation and forest degradation, and ensure compliance with laws and regulations. Through this process, the community realized the importance of improving its capacity to monitor, intervene and engage with potential threats to the community ecosystems.

Cusco:

- To promote upscaling and replication of sustainable coffee and cocoa BMPs in Cusco, SL implemented an integrated capacity building program based on the technical assistance model Rainforest Alliance uses to deliver training on the Sustainable Agriculture Network standards globally. Under this program, innovative BMP practices such as DRENCH; improved wastewater treatment systems, application of kudzu to restore degraded soils, and others were tested, piloted and proved amongst 8 model farmers. These 8 model farms then served as learning laboratories and agents of information dissemination: as successful BMPs were identified, lead farmers from neighboring communities and technical extension agents from the region's producer associations, cooperatives and government extension agencies would participate in participatory training events on the model farms to learn about the new practice, then disseminate it amongst their producer bases. Now, cooperatives and companies are beginning to institutionalize model farm BMPs in their own training programs; BioAzul, for example, has enhanced its technical training packets to include project supported BMPs. These packets are used to deliver standardized technical assistance and drive mandatory adoption of BMPs amongst the roughly 150 producers that supply BioAzul with coffee. To promote replication of these innovations at a broader scale, SL and representatives from producer associations and companies leverage the Technical Coffee and Cocoa Roundtable, where the implications of these BMPs are disseminated and discussed in the context of agricultural public policy development.

Madre de Dios:

- To enhance understanding of environmentally-friendly Brazil nut harvesting BMPs and institutionalize these practices through market-incentive programs, SL provided ongoing technical support and facilitation to CANDOR, UNAMAD, RONAP, ACCA and SERNANP to support the development of sustainable Brazil nut standards and validate these locally through multi-stakeholder consultation events. The standard, which should be approved in the coming months, is a strategic opportunity to further add-value to Brazil nut production processes in MDD while strengthening incentives to protect and restore Brazil nut areas.

2.2.5 Increase Indigenous Peoples' Participation

In FY15 SL focused on increasing indigenous people's participation as this relates to improving their territorial natural resource planning and governance, and increasing their participation in economic incentives for sustainable natural resource use. Achievements follow below.

Sucumbíos/Orellana:

- SL completed a participatory analysis of operating costs with Siona canoeists from the Puerto Bolivar, San Victoriano and Tarabaia communities. Building on the analysis, the canoeists were trained on understanding operating costs and profit margins for their tourism river transport services in order to undertake more informed negotiations with CWR lodges and ensure they receive a fair wage. This training represents the first time Siona communities have been engaged in this kind of economic analysis of the viability of their canoe cost structures; it enabled them to visualize direct and indirect costs related to their services such as gasoline and maintenance costs, depreciation, and compliance with legal labor requirements such as paying for liability insurance. As a result of this analysis and subsequent negotiations, the lodges have agreed to increase their rates to ensure the canoeists obtain a minimum profit and are now paying Siona canoeists approximately 87 USD/day for their services; an increase of nearly 45% over the prior price of 60 USD.
- In Limoncocha, Kichwa community members of ASOKIL, represented through their leaders, contributed to the design and establishment of rules to govern the management of their fishery resources within the LBR. ASOKIL initially promoted the concept of developing these 'codes of conduct', together with the protected area authorities. Among other issues, the codes define fishing schedules, sustainable fishing practices (e.g. prohibition of the use of nets), among others that contribute to the sustainable management of the LBRs fishery resources.

Napo:

- To strengthen business and marketing skills for over 130 HS Kichwa community members, SL delivered trainings on a series of basic business skills to build the capacities of ASOPROBISUM members to implement their strategic and business plans and begin to implement priority activities. To that

effect, trainings prioritized enhancing understanding of agriculture as a business; demonstrating how to keep basic inventories of materials, productivity and input usage records and formal documentation of economic and social business processes to enhance productivity.

- In tandem with these trainings, SL co-developed with Kichwa ASOPROBISUM members a business plan to: a) guide ASOPROBISUM's future activities; and b) serve as a negotiation and market tool that demonstrates the organizations competencies, as a means to secure additional investment. Plan objectives include: a) establishing a fund to finance commercialization activities; b) enhancing productivity in 3 locally-adapted, environmentally-friendly, and highly-demanded naranjilla varieties; c) ensuring that all members plant at least 1 hectare of the hybrid variety of naranjilla, which reduces threats to forests as it has longer rotation cycles and grows well in degraded lands; and d) increasing membership.
- SL facilitated an experience-exchange in which 9 members of the kichwa associations of ASOCOSKAWA and ASOPROBISUM – including the President of ASOPROBISUM and the community of Challwayaku, Tito Huatutoca – visited SL-supported communities in MDD and Cusco. The visit showed Napo's more nascent producer organizations that sustainable land management, integration with national and international value chains, access to finance from the government and private sector and value-added processing are – with community leadership, commitment, smart investment and time – realistic goals for Hatun Sumaku communities. By visiting coffee and cocoa model farmers in Cusco, ASOPROBISUM members better understood the positive impacts of BMP implementation on product quality, yields and cost-savings; and the importance of commercializing their products as an organized group in order to secure preferential buyers and contracts. In MDD, Napo's producers learned about the role of production committees in organizing diverse timber and NTFP management activities in Infierno, Tres Islas and Boca Pariamanu. From FENAMAD and ASCART, they learned good practices in organization and governance within native communities as a platform for sustainable production activities. As Hatun Sumaku communities are in a more nascent stage of implementation of very similar integrated management models for diversified forest and agricultural land management models, the visit to the more 'mature' communities and producer associations in MDD was highly motivating for them to see what sustainable, diversified, value-added production with access to finance and markets looks like. It was also very timely as it helps clarify the next steps for HS communities as they advance in implementation of their integrated management plans, forest management plans, clean naranjilla and self-governance and community monitoring structures.

Madre de Dios:

- Four representatives of the NCs of Sonene, Infierno and PR participated in the design of the Master Plan for Bahuaja Sonene National Park. Prior to their involvement, SL provided training and information to support their effective engagement and participation.

- To ensure that the Forestry and Wildlife Law regulations reflected the needs of MDD's NCs, the leaders of four NCs participated in the process of designing the regulations. The approved regulations now contain clauses and considerations that will facilitate legal, sustainable timber and NTFP harvesting and extraction among native communities.
- Together with AGROBANCO, SL facilitated the communities of Tres Islas, Puerto Arturo, Palma Real and Sonene to complete applications for "Programa 14" financial packages, a component of Peru's broader policy agenda of increasing financing to field activities. In Madre de Dios, a particular focus is given to Brazil nut harvesting. The four communities submitted applications for this activity, which would benefit 86 community members. This represents the first time native communities in Madre de Dios have accessed Programa 14.
- SL's participatory process of developing statutes and internal regulations to govern natural resource management in MDD is building local capacity in native communities (TI, PR, Sonene, Infierno), improving their ability to more independently update these governance documents in the future. The timely and independent development of these governance mechanisms within the community is a critical need, as the inability to do so in the past has resulted in significant delays in compliance with legal requirements and challenged effective internal governance.

2.2.6 Climate Change – Adaptation

SL's integrated approach to promoting landscape-scale planning; improving local environmental governance; and generating sustainable economic alternatives in highly-threatened landscapes in the Andean Amazon includes a cross-cutting focus on building resilience and adaptive capacity of local actors to climate change.

In FY15, the following project results contribute to USAID's Climate Change and Development Strategy *SO2- Increase Resilience of People, Places and Livelihoods*:

Sucumbios/Orellana:

The Destination Management Methodology builds resilience and reduces vulnerability to climate change impacts within Ecuador's National Protected Area Network by offering best practice guidance for Protected Areas to integrate within their management plans and monitoring processes. This guidance promotes measures to reduce water and energy consumption; integrate climate change awareness raising and calls-to-action within environmental education programs; establish research alliances to enhance local understanding of climate change projections and their impacts on local ecosystems; monitor climate variations; and support credible tourism operator certification programs that include climate change adaptation criteria, among others.

In accordance with guidelines in the Destination Management Methodology, CWR lodges are adapting their wastewater treatment systems to be more sensitive to precipitation changes between rainy and dry seasons, longer dry seasons and a greater frequency of flooding and

drought events. Moreover, operators are adjusting site visitation routes to accommodate changing patterns of species presence and abundance in accordance with greater seasonal changes, and identifying alternative hiking trails during seasonal flooding. These are timely, specific examples of how lodges are beginning to address the impacts of climate change on their operations.

Napo:

Project work to diversify local incomes, restore degraded landscapes, conserve forests, promote habitat connectivity and protect waterways all contribute to building the resilience of Hatun Sumaku communities and their ecosystem to climate change:

- In Wamaní, restoring over 200 hectares of degraded land through accessing the SocioBosque Passive Restoration Program builds ecosystem resiliency while diversifying local incomes. Moreover, the 50 hectares planted under the Commercial Reforestation Incentive Program promotes landscape restoration while diversifying incomes and production activities through integrating naranjilla crops and also diversified *chakra* production systems, promoting family food security and local income diversification.
- Throughout the Parish of Hatun Sumaku, SL delivered technical assistance and training on climate change adaptation in naranjilla production systems:
 - Training materials, including ‘*10 measures to adapt and mitigate climate change*’ poster and an agroforestry manual, were produced and disseminated to producers.
 - These training materials reinforced continuous technical assistance and training to naranjilla pilot farmers and other local producers to spur their implementation of sustainable agricultural practices that also deliver adaptation objectives, including: farm mapping; identification of vulnerable areas to restore; use of IPM practices and organic alternatives to agrochemicals, and others. As a result of this approach, producers are creating their own organic fertilizers; organizing their farms to implement longer-term rotation cycles for naranjilla; and diversifying their reforestation plots with yucca, plantain and a variety of other crops.
 - As improving and diversifying local incomes is critical to building resiliency of local producers to climate change, cost-savings resulting from implementation of naranjilla BMPs also contribute to support HS producers to become more resilient to climate and other economic ‘shocks’.

Cusco:

SL pioneered application of climate-smart agricultural practices to diversify producer incomes and promote producer, community and ecosystem resilience to climate change. As a result adaptation practices are being demonstrated on eight ‘model farms’; replicated in technical assistance programs of BioAzul – reaching roughly 150 farmers more – and promoted at the landscape scale through the Mesa Técnica de Café y Cacao. These practices include vulnerability mapping, reforestation, agroforestry, production of organic fertilizers using efficient micro-organisms, and income diversification through integration of citrus plants and other crops on-farm. Moreover, the publication and dissemination of the *roya* case study (see IR 4) has contributed to enhancing knowledge and awareness of the relationship

between climate change and *roya* outbreaks and has helped to elevate the importance of climate change in discussions in regional multi-stakeholder dialogue spaces in the region.

Madre de Dios:

SL's integrated model to diversify economic opportunities and increase incomes as a means to conserve forest ecosystems and promote forest restoration, contributes to enhancing resiliency of MDD NCs and their ecosystems. To address fluctuations in annual fruiting patterns of palm fruits – suspect to be influenced by climate change – SL completed a two-year monitoring program on *aguaje* and *ungurahui* palm fruit phenology in Tres Islas.

2.2.7 Climate Change (REDD+, Sustainable Landscapes)

As noted in prior reports, SL strategies are designed to mitigate threats to biodiversity and habitat loss caused by land use change and wholesale deforestation in project landscapes; this has a high correlation to climate change mitigation outcomes, particularly REDD+, a mechanism which seeks to reduce emissions from deforestation and forest degradation.

In FY15, the following project results contribute to USAID's Climate Change and Development Strategy *SO1- Accelerate the transition to low emissions development through investments in clean energy and sustainable landscapes*, by directly addressing *IR 1.2 – invest in land use practices that stop, slow, and reverse emissions from deforestation and degradation of forests and other landscapes*.

Sucumbíos/Orellana:

The Destination Management Methodology includes a chapter about the challenges facing climate change in protected areas, in which activities to mitigate greenhouse gas emissions, halt deforestation and restore forestlands are prioritized through building alliances; investing in carbon neutral tourism campaigns and promoting alternative energy sources within protected areas. These activities are being integrated within Visitor Management Plans in Amazonian protected areas.

Napo:

The SL approach to integrated management of indigenous lands at the community and parish level is essentially consistent with MAE's landscape-scale approach to REDD+ implementation. As described in section IR-3 above, HS communities are implementing a combination of strategies to reduce deforestation and secure financing. These include:

- To reduce deforestation, all seven parish communities completed participatory zoning to identify high-value conservation areas and conservation set-asides and define limits for further agricultural expansion. Building on this, community regulations were developed to promote self-governance of compliance with these zoning plans in over 11,300 ha; 2 parish communities are accessing the SB conservation program and 4 others have prepared to access it, which will conserve a combined total of over 3,700 ha. Moreover, naranjilla pilot farms are demonstrating how to extend rotation ages for naranjilla and orient expansion into degraded lands instead of primary forest, further reducing deforestation pressures.
- To reduce forest degradation, forest management plans to promote low-intensity, legal timber harvesting and sustainable forest management practices were

developed for all 7 parish communities, positioning communities to reduce rates of extraction and implement restoration, natural regeneration, reduced-impact-logging and environmental monitoring on 7,700 ha.

- To enhance forest carbon stocks, HS communities are piloting implementation of the MAGAP Commercial Reforestation Incentives program and the SB restoration program, impacting over 250 ha and with the potential to be replicated more broadly throughout parish communities.

These strategies are implemented in alignment with HS Territorial Land Use Plan objectives and the integrated management plans in each of the 7 parish communities, directly reinforcing sustainable land management planning to conserve biodiversity and reduce land use change in over 19,000 ha of actively managed HS parish lands.

Cusco:

SL's climate-smart agriculture approach, demonstrated in its 8 model farms and replicated through technical assistance and training programs with local cooperatives, businesses and municipal extension agencies, shares great alignment with Peru's REDD+ and NAMA approach for integrated, low-emissions production to improve productivity while reducing threats to forests. Examples include:

- Reducing deforestation through farm land-use planning; requirements to avoid deforestation for SAN-standard certified farmers; promotion of a no-burn regulation within district governments; and orientation of new coffee and cocoa production into existing degraded lands instead of virgin forest.
- Enhancing forest carbon stocks through restoration and rejuvenation of coffee and cocoa production systems, soil fertility enhancements, and integrating native tree species into design of agroforestry parcels as production lands are rejuvenated and replanted.
- Reducing GHG emissions through identification of GHG hotspots on coffee and cocoa farms and piloting new technologies to reduce energy and water consumption while also cutting methane and nitrous oxide emissions through implementation of biodigestors and DRENCH improved fertilization and irrigation programs.

These practices are being promoted at the landscape scale through the Mesa Técnica de Café and Cacao, and – through engagement with SERFOR, the coffee industry, the Directorate of Agrarian Policy and other actors - increasingly considered as part of the technical design of Peru's coffee NAMA. For example, through SL participation in the recent ExpoCafé 2015, RA presented on this climate-smart agriculture model to these and other actors, and recommendations to establish a national Climate-Smart Agriculture Technical Roundtable were well received by participants.

Madre de Dios:

As in the case of Napo, SL's integrated management approach in native communities is closely aligned with Peru's REDD+ strategy implementation, which is premised on integrated landscape management and sustainable community forestry that leverages value-added processing, market-access and capacity building to reduce deforestation. Examples of this alignment include:

- To reduce deforestation, community lands have been zoned and life-plans, management plans and community statutes, regulations and monitoring committees established to identify high-value conservation areas and avoid future forest encroachment. This applies to over 60,000 ha.
- To reduce forest degradation, sustainable, legal forest management is underway in 6 NCs, enabling NCs to earn more while extracting less timber on over 5,000 ha and ensuring that restoration and regeneration practices and diversified harvesting of a greater number of timber species is done, to reduce degradation trends in MDD NCs.
- To enhance forest carbon stocks restoration and regeneration of degraded lands and in clearances from timber extraction sites are being promoted and implemented through guidelines established in management plans.

Most importantly, through diversifying production into different timber species and palm fruits, and value-added processing and market-linkage work to derive greater value per unit of product harvested, MDD NCs are seeing firsthand tangible economic benefits from extracting fewer forest products and earning more for them, and realizing the economic potential of keeping their forests standing.

3. NETWORKING AND SYNERGY

3.1. ANDEAN AMAZON LEVEL

SL fostered synergies in the Andean Amazon through two principal mechanisms; these are described below, along with illustrative examples of achievements.

1. Knowledge transfer across landscapes to strengthen technical implementation:

- To share lessons learned on BMP implementation, community organizational strengthening and access to markets, SL coordinated an experience exchange in which 9 members of ASOPROBISUM and ASOCOSAKAWA visited SL project sites in Madre de Dios and Cusco. As HS communities are in a more nascent stage of implementation of similar integrated models for diversified forest and agricultural land management, the visit to the more 'mature' communities and producer associations in MDD was highly motivating for them to see with their own eyes what sustainable, diversified, value-added production with access to finance and markets looks like.

2. Dissemination and awareness raising of successful intervention models with replication potential across the Andean Amazon:

- To raise awareness of the challenges and opportunities to promote integrated, sustainable land management models that halt deforestation pressures – and align these with REDD+ incentives – SL staff delivered three presentations to over 200 key stakeholders in the Andean Amazon and broader climate community at UNFCCC COP20.
- To contribute knowledge and experiences to inform the development of USAID’s regional Amazon strategy, in January, 2015, at USAID’s request SL prepared an informative memo entitled “*Achieving alignment, replicability and scale in regional projects: lessons learned and recommendations to inform USAID programming, based on Sustainable Livelihoods (SL) and NZDZ project implementation*”. Further, SL delivered over 10 presentations at the June, 2015 ICAA Partners workshop to USAID and conservation practitioners throughout the Andean Amazon. Through the presentations SL disseminated lessons learned from project experiences on topics such as: development of indigenous life plans; gender & governance; Visitor Management Plans; developing NRM policies such as TORs for palm fruits based on local needs; climate-smart agriculture, and others.
- SL produced a series of videos in English and Spanish to raise awareness of the project intervention model and key achievements in all project landscapes; they will be disseminated broadly within the region and internationally to enhance the visibility of ICAA Program achievements.

SL’s overall objective of networking at the Andean Amazon level is to share knowledge, best practices, lessons learned and opportunities and challenges to carry forward SL project intervention models amongst conservation and development practitioners in the Andean Amazon.

3.2. NATIONAL LEVEL

In its last full year of implementation, SL created synergies at the national level to maximize the impact and sustainability of project interventions. Illustrative achievements include:

- To promote knowledge transfer and replication of the Destination Management Methodology and Visitor Management Plans, SL coordinated with the National Biodiversity Directorate of Ecuador to edit, design and publish this protected area management tool. Building on this achievement, SL supported the development of a Ministerial Accord that will promote the application of the methodology across the entire NPAN.
- To inform the adequate design of emerging legal timber traceability programs in Ecuador that are based on local needs and realities, SL and RA-CERT (the Rainforest Alliance unit that oversees certification, verification and chain of custody services), trained MAGAP and MAE technicians on challenges and opportunities to create timber traceability systems for different timber value chains. Building on this, SL facilitated the participation of ASOCOSAKAWA in meetings with the timber industry and government agencies to evaluate the feasibility of timber traceability system proposals. ASOCOSAKAWA’s participation was important to raise awareness of the constraints and opportunities to foster the participation of indigenous communities in these programs.

- To create additional incentives to keep forests standing and provide finance flows to consolidate diversified production activities in MDD's native communities, SL coordinated with MINAM's PNCB program, FENAMAD, AFIMAD and local NGOs to facilitate eligibility of Tambopata's native communities of PA, PR, Sonene, BP and Infierno to the PNCB's new forest conservation incentives program. These communities participation in the program was not originally envisioned; to ensure the eligibility of Tambopata's NC's, SL connected the communities to MINAM representatives; facilitated the systematization of information and documentation from the communities; created discussion spaces for community, government and NGO representatives to analyze the opportunities to include Tambopata as an eligible region for the incentives program; and helped the communities prepare dossiers for submission. These 5 communities are now in the process of accessing the 'Conditional Direct Transfer' economic incentive, which will grant them roughly 3.3 USD for each hectare the communities conserve on an annual basis. Accessing this incentive will enable NCs to consolidate and enhance the sustainability of their production and value-added processing of Brazil nut, timber, palm fruits and tamshi.

3.3. SUB NATIONAL LEVEL

In FY15, SL capitalized on opportunities to transfer knowledge and lessons learned to other Amazon provinces, in order to promote coordination and replication of successful SL initiatives. These include:

- SL advised provincial government staffers in the neighboring Amazon provinces of Pastaza and Orellana to share good practices to promote implementation of the MAGAP Commercial Reforestation Incentives program, using the Wamaní experience as a case study.
- To strengthen a SERFOR-led certification scheme entitled, 'Best management practices standards for timber production in natural forests in the Peruvian Amazon', SL has provided ongoing advisory and technical assistance to strengthen the content and focus of the standards in order to leverage the global best practices guidance in the FSC standard and reflect the opportunities and constraints to engage native communities in sustainable forest management, based on SL's experiences in MDD.

3.4. LANDSCAPE LEVEL

SL aligned project strategies with the short-, medium, and long-term strategies and plans of other landscape actors. Given the upcoming project close, SL prioritized implementing 'hand-off' strategies with key stakeholders to enhance the continuity and long-term sustainability of project-promoted activities. SL engaged with other actors in the landscape to secure their commitment to carrying forward sustainable NRM based on planning, governance and sustainable livelihoods. Illustrative FY15 achievements include:

- To strengthen biodiversity conservation and related mechanisms for environmental monitoring and government oversight, SL coordinated with protected area staff in CWR, LBR and YNP to strengthen biodiversity conservation criteria and evaluation methods in the Sustainable Tourism Operations Manual and accompanied MAE during August, 2015

MAE evaluations. MAE's ownership and frequent monitoring of BMP compliance based on the guides is indicative of their long-term adoption and implementation of it.

- To strengthen implementation of sustainable tourism management practices outlined in the Destination Management Methodology in CWR, LBR and YNP, SL coordinated with park staff to consolidate local capacities and initiatives including:
 - Training and awareness raising events amongst local communities to foster adoption of energy efficient 4-cylinder motors, thereby facilitating compliance with the new 2016 regulation mandating their use;
 - Training and evaluations to renew naturalist guide licenses for community guides in YNP; and
 - Completing a technical assistance program for 13 CWR lodges and Sani Lodge to enhance implementation of BMPs.
- To ensure continuity of clean naranjilla activities, Naranjilla Roundtable members signed an agreement to continue implementation of their strategic plan for another year, including BMP monitoring. SL also negotiated with the new GEF-NAPO project to carry forward facilitation of the Roundtable and technical support to clean naranjilla activities. Last, SL coordinated with institutions such as MAGAP, INIAP, AGROCALIDAD, the Napo Provincial Government, Municipal Government of Archidona to continue to support local organizations ASOCOSAKAWA, ASOPROBISUM and ASOGROSACH.
- Given the regional government of MDD's stance against working on conservation issues, SL established an alliance with the Municipal Government of Tambopata to promote sustainable production activities. As a result the municipal government has committed to donating land for AFIMAD to establish its Brazil nut warehouse in Puerto Maldonado; a strategic location that will enable them to store a greater volume of Brazil nuts, better conserve their quality and facilitate sales.

3.5. OTHERS

N/A

4. IMPACT OF LEVERAGED RESOURCES

Resources leveraged by the SL project have been critical to consolidating the project's conceptual model.

For example, although financing a smaller number of projects than initially envisioned, all 9 SL Small Grants Program (SGP) projects have been successfully completed. The SGP provided critical injections of early-stage capital to enable nascent community-based NRM organizations to consolidate their management competencies, diversify their product lines, prepare for value-added processing activities and otherwise improve their business management competencies. The seed-capital provided by the SGP fully complemented SL organizational planning and strengthening initiatives and reinforced the project's technical assistance, training and market linkage work to cultivate sustainable value chains for timber, NTFPs, naranjilla and tourism services. To provide more details on the relationship between the SGP program and the overall SL conceptual model, a summary of the Peru SGP projects and their impacts follows:

Beneficiary organization and individuals	Project Title	Results	Impacts and relevance to SL conceptual model
PR NC; 42 women and their families	Increasing production, improving handicrafts quality and strengthening capacities of the PR handicrafts committee, through establishing a Handicrafts center	Handicrafts center established Enhanced capacity to design and market new handicrafts products	The project consolidates a sustainable economic alternative in PR and reinforces organizational strengthening to production committees. The committee has increased handicrafts production and quality; DIRECTUR has recognized the handicrafts committee for their product quality.
TI native community; 47 members of Brazil nut committee (20 women and 27 men), and their families.	Support to strengthen artisanal Brazil nut processing and warehousing in the native community of Tres Islas.	Enhanced capacity to process Brazil nuts through designating areas for drying, peeling and warehousing. Increased production efficiencies through technical assistance to standardize value added processes.	The project enabled TI Brazil nut committee to enhance product quality and processing; a critical factor in enabling TI to achieve preferential sales contracts and diversify buyers. These results are being consolidated and scaled-up through TI's access to finance from ACCA and JICA to further consolidate its value-added production process.
PALSAMAD; 16 members and their families	Enhancing the productive capacity of the palm fruit processing facility.	Increased production capacity of the processing facility through enhancing production processes and expanding capacities for processing and storage.	PALSAMAD has improved its production processes and capacities, enabling it to accommodate anticipated growth in palm fruit production that was promoted by SL through technical assistance in BMP application and creating a more favorable regulatory framework for sustainable, legal palm fruit harvesting and sales.
Bawaaja Expeditions; 200 familias in the Infierno community (indirectly)	Recovering organic waste to expand the ethno-botanical garden in the Ñape Medicinal Center.	Biodigestors and other organic waste recycling methods implemented to reduce the ecological impact of tourism in community forests. Business plan developed to increase profitability of ethnobotanical center.	Implementation of sustainable tourism BMPs has been consolidated within the community of Infierno, and – in coordination with Bawaaja's administrative and management staff – the community hopes to enhance revenues from the ethnobotanical center through implementing its business plan. This work is aligned with the sustainable tourism strategy developed for MDD and technical assistance provided by SL to Infierno.

Other illustrative impacts of leveraged resources include:

- To consolidate and upscale Brazil nut value-added processing in native communities, SL, ACCA and the community of TI collaborated to secure a non-reimbursable loan of over 90,000 USD from JICA to establish an improved Brazil nut processing plant. This complements SL's SGP project with TI and is a critical factor to enable TI and other native communities to expand value added processing capabilities as demand for value-added Brazil nut products continues to grow.
- To resolve a critical bottleneck in Brazil nut harvesting within native communities, CANDELA Peru provided AFIMAD members with a pre-harvest advance fund of over 15,000 USD. CANDELA also provided a 'purchase fund' of over 69,000 USD to support recollection activities. The funds will be repaid upon the conclusion of the harvesting season, and enable AFIMAD members access to up-front financial resources required to continue to sustainably harvest and process Brazil nuts.

- In Limoncocha, seed capital provided by the SL Small Grants Program enabled Cabañas Pusara to enhance the quality of their tourism services and improve market penetration among the national and international ecotourism segment. As a result, Cabañas Pusara increased their occupancy from 300 visitors in 2014 to 963 in 2015, over a 300% increase, resulting in a total annual revenue increase in revenue 3,000 USD in 2014 to over 10,000 USD. With the enhanced incomes, Cabañas Pusara hired a full-time administrator, to further professionalize their tourism services and ensure the sound management of lodge operations.
- A critical partner in getting the PR's tourism strategy up and running is CONDOR TRAVEL, which provides approximately, \$5,600 USD/quarter to Palma Real for this tourism work as part of its agreement with AIDER to finance REDD+ activities around the RNTAMB. CONDOR TRAVEL investments will finance some needs identified in the business plan, contributing to the long-term implementation of sustainable tourism within PR.

5. PERFORMANCE MANAGEMENT PLAN

SL met or exceeded 8 of 10 indicator targets. A brief explanation of variance follows.

Indicator	Variance	Explanation
Ind. 1: Hectares under improved NRM	Exceeded by 17%	Achieved 306,914, target 262,537. Improved monitoring and management in Tambopata concessions to expand impacts.
Ind. 3: People with increased economic benefits	Achieved 93%.	Achieved 2,952, target 3,165. Land title delays prevented HS communities from receiving SB funds (See 'Challenges'). LOP target will be achieved in Q1 FY16.
Ind. 4: Initiatives that promote the implementation of economic incentives	N/A	Target of 12 met.
Ind. 5: Hectares under implementation of economic incentives	Exceeded by 47%	Achieved 70,681 target 48,071. Access to markets and finance with CANDELA, RONAP and CANDOR upscaled impacts.
Ind. 7: Products generated	Exceeded by 15%	Achieved 224, target 195. Enhanced efforts to translate technical information to products that can be used by communities and the general public.
Ind. 8: Copies of products disseminated	Achieved 95%.	Achieved 365,545 target 384,301. Public launch of last communications products (i.e. video) slightly delayed. Target will be achieved in Q1 FY16.
Ind. POL-1: PLARs proposed, adopted, or implemented	Exceeded by 5%	Achieved 21, target 20. A ministerial accord for VMPs was developed.

Ind. CAP-2: Person-hours of training	Exceeded by 9%	Achieved 99,929, target 91,932. Result of high demand and commitment of beneficiaries, and focus on enhancing sustainability of project interventions.
Ind. CAP-3: People trained	Exceeded by 25%	Achieved 19,151 target 15,388. See CAP-2.
SL Ind: Groups and organizations with improved organizational and enterprise capacity	N/A	Target of 34 groups met.

6. SUCCESS STORIES

Enhancing awareness and understanding of ICAA Program accomplishments through mass media tools

As impactful as they may be to improving the lives of local peoples and protecting critically threatened ecosystems, the importance of complex biodiversity conservation and sustainable rural development programs such as the ICAA Program is notoriously difficult to communicate effectively to critical thought leaders, decision-makers and the broader public both within the region of work and globally. *How have the lives of local beneficiaries been transformed? How does work to strengthen natural resource management policies contribute to good governance? What is the relationship between economic development and biodiversity conservation?* It is vital that leaders from government, business, academia and other sectors, as well as the general public, have a clear understanding of these, and other basic questions, in order to deepen partnerships and create conditions necessary to strengthen conservation and sustainable development in the Andean Amazon.

As the Sustainable Landscapes project embarked on its last full year of implementation, this challenge was top of mind: *how could the project's conceptual model, learnings and impacts be systematized and disseminated to generate improved understanding, lasting impressions and emotional connections amongst the broader Amazon conservation and development community?*

To address this, the project selected the most impactful, innovative and flagship achievements over the course of its four years of implementation. Together with partners from local communities, producer associations, businesses and government agencies, we produced a series of capstone videos. Through use of everyday language, visually striking imagery and inspiring interviews with community partners in Cuyabeno, Napo, Cusco and Madre de Dios, these communication tools help bridge the gap between the ICAA Programs' considerable technical achievements and a lack of understanding of their transformative impacts amongst key decision makers and the public.

Available in English and Spanish, the videos are being disseminated to a growing number of key stakeholders and utilized in multiple public events. Through these mass media tools, we are increasing understanding of the critical importance of the ICAA Program to the long-term health of the Andean Amazon, and activating a growing network of responsible and concerned global citizens to who wish to see people and the environment, prosper together.

Watch the English version at:

<https://www.youtube.com/watch?v=4hcDmEz18jI&feature=youtu.be> , which highlights the following capstone accomplishments and project ‘success stories’:

- *A Destination Management Methodology to Conserve Biodiversity and Manage Tourism Sustainably*
- *A Sustainable Forest Economy for Indigenous Communities*
- *Building Climate-Smart Coffee and Cocoa Value Chains*
- *Conserving the Ecuadorian Amazon through Indigenous Community Agroforestry*

TRANSFORMING SMALL-SCALE BRAZIL NUT PRODUCTION INTO A COMPETITIVE ENTERPRISE

The Brazil nut is one of the world’s most widely consumed non-timber forest products (NTFP). It is also one of a relatively small number of globally traded commodities that is helping to save threatened forests. Harvested from the fruit-fall of giant *Bertholletia excelsa* trees, Brazil nut extraction involves little more than collection of pods from the forest floor. Unlike other well-known nuts like almonds or cashews, Brazil nut cannot be grown in plantations; harvesting can only be sustained in closed canopy Amazon rainforests, like those in and around the Tambopata NR in Peru’s Madre de Dios (MDD) region. The Brazil nut industry is thus a linchpin forest conservation strategy in MDD and across its range.

In 2010, the Association of Brazil Nut Harvesters of the Tambopata NR (ASCART) formed in order to capitalize on the potential of Brazil nut production to improve the livelihoods of its members while conserving their Brazil nut concessions located within the Tambopata NR. ASCART faced many challenges common to small, new, natural-resource based businesses in MDD and throughout the tropics: the association suffered from weak organizational capacity and limited administrative skills; inadequate infrastructure for processing and storage; and limited marketing and business skills. Further, when ASCART was founded, they lacked capital to purchase their members’ Brazil nuts and provide them with the necessary advances that middlemen offer – these advances are critical for castañeros (the Spanish term for Brazil nut harvesters) – to complete their annual harvests.

In alliance with the Interamerican Development Bank funded “Forestry Enterprise Competitiveness” project, USAID’s Sustainable Landscapes project worked together with ASCART to resolve these critical risks to their business operations, strengthen their enterprise capacity, deliver more benefits to their 15 female and 23 male members, and ultimately strengthen conservation of their more than 30,000 hectares of Brazil nut concessions located within the Tambopata NR.

As a result of this work to strengthen ASCART’s organizational capacities, internal governance, long-term planning, value-added processing and marketing-linkage capacities, the organization has made great leaps forward in its enterprise development since 2010. ASCART has:

- Increased total enterprise assets by more than 160 %, including a 23% increase in cash reserves and 500% increase in assets through improved infrastructure;
- Increased member incomes by more than 17%;
- Decreased processing costs by nearly 50%, while increasing yields by 11%;
- Created 61 new jobs and expanded worker contracts from 3 months to 9 months per year; and

- Provided members with over 100,000 USD in working capital, amongst other achievements.

ASCART's impressive accomplishments demonstrate that small-scale Brazil nut producers can form successful second-tier enterprises that can achieve financial viability and significantly improve the incomes of their members – in complete alignment with efforts to conserve Madre de Dios' highly threatened, brazil-nut rich forests. Next steps for ASCART include processing of value-added products like Brazil nut snacks and oils, and finding ways to promote the unique characteristics of MDD's Brazil nuts versus those of Brazil or Bolivia.

Nearly 15,000 people – about 12.5% of MDD's population – are directly employed by the Brazil nut industry. ASCART's accomplishments may offer a roadmap for enhancing the organizational capacities, incomes and forest conservation capacities for a critical mass of the region's inhabitants, and particularly for neighboring organizations in more nascent enterprise development stages like RONAP and AFIMAD.

7. ENVIRONMENTAL COMPLIANCE

SL's amended Environmental Assessment to reflect the landscape change to Napo was approved and in July, 2015 – in coordination with USAID - SL contracted independent consultants to conduct a final evaluation of implementation of the EA Mitigation and Monitoring Plan. The consultant team reviewed over 200 project documents, visited 11 sites in Cusco, Madre de Dios, and Napo that were subject to the EA, and interviewed 70 stakeholders. Evaluation findings indicate that on the whole SL implemented the EA mitigation measures and that the project *“excelled at improving policies and institutional capacities to strengthen the adoption and sustained application of project-promoted best management practices”* and that across all landscapes SL was *“effective at establishing conditions for permanence (sustainability) of impact mitigation”*.

Illustrative examples of mitigation measures implemented in FY15 include:

- Preparing Wamaní to restore 200 ha of degraded lands by accessing the new Socio-Bosque Passive Regeneration program;
- Monitoring degree of implementation of naranjilla and forestry BMPs, and monitoring of compliance with impact mitigation measures in aguaje management plans;
- Creating local organizations including ASOCOSAKAWA, ASOPROBISUM and a Control & Surveillance Committee, to improve local environmental governance;
- Strengthening the new Forestry and Wildlife Law Regulations to consider sustainable NRM management criteria and reduce regulatory bottlenecks for NCs.

8. SUMMARY

8.1 Achievements:

- The Destination Management Methodology and VMPs are being independently replicated by MAE on 10 protected areas and a Ministerial Accord is being produced to replicate across the entire roughly 2.4 million hectare PNAP. The methodology and plans enable Ecuador to balance visitor satisfaction with biodiversity conservation objectives; a critical need as the country grows the ecotourism sector, funneling more and more tourists to its most fragile and biodiverse ecosystems. The tools provide a management framework that can be adapted to other Amazon protected areas, presenting a replicable solution to improve management of tourism in protected areas across the region.

- Key ‘firsts’ were achieved, representing transformative change and impacts to SL beneficiaries:
 - 4 MDD NCs access the ‘Programa 14’ credit program
 - TI completed sales of value-added timber products
 - 4 NCs accessed AGROBANCO credit; fully repaid their debts
 - Siona communities negotiated rates with lodges based on cost-benefit analysis
 - MAGAP and SB restoration programs piloted in Napo indigenous communities
 - Legal, community-approved timber sale in Wamaní
 - Contract secured by ASOCOSOKAWA to conduct restoration work

8.2 Challenges and Adjustments:

- As reported previously, due to protracted delays from MAE authorities at the regional and national level and approval delays from other involved ministries, HS land tenure legalization processes were not concluded prior to project close in Ecuador. SL prepared dossiers with the 4 communities to access SB upon receiving their land titles and ECOLEX continues to provide support; it’s anticipated land titles will be received for communities shortly.
- As reported previously, due to delays in government processing, the Wamaní community has not yet received payments from the SB-restoration and MAGAP programs. Field verifications have been completed and follow up given by Wamaní as well as the State University of the Amazon.
- The impact of the *roya* epidemic and high demand for labor to work in municipal projects pulled many farmers off farm, leading to abandonment and reduced capacity to implement BMPs. SL completed a case study to enhance understanding of *roya* impacts and how the region can better respond. It created conditions to re-engage farmers as they return to farm by using model farms as learning sites and aims to build future farming leaders through the CRFAs.

9. Annexes

9.1 Annex A – List of Acronyms

9.2 Annex B – Maps (Indicators 1 and 2)

9.3 Annex C – Revised PMP

10. Implementation details

10.1 TABLE 1. Targets and Achievements Table – ICAA-wide Indicators.

10.2 TABLE 2. Funding Level

10.3 TABLE 3. Targets and Achievements Table – Partner Indicators

10.4 TABLE 4. Activity Description

10.5 TABLE 5. Funding Sources